



United States Department of the Interior

BUREAU OF LAND MANAGEMENT FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, UT 84631
<http://enbb.blm.interwebdesign.com>



In Reply Refer to:
3600
(U-010)
UTU-075842

August 1, 2001

DONELL ADAIR
GOLD CANYON MINING & DEVELOPMENT CO
PO BOX 122
MAYFIELD UT 84643

Dear Mr Adair:

We are in receipt of a copy of a Notice of Intention to Commence Small Mining Operations that you submitted to the Utah Division of Oil, Gas, and Mining. This was in response to our July 11, 2001 letter informing you that your company needed to acquire a permit for your operations located in Section 22, T. 16 S., R. 1 W. Thank you for your prompt attention to that matter.

We are also writing to confirm the content of telephone conversations between Eugene Pearson of your company, and Sheri Wysong and me. In those conversations we discussed amending the payment schedule outlined in the contract stipulations (enclosed). Stipulation 9 states that payments will be made quarterly along with the production report. That is amended to bi-yearly, in order to spread the payments out over the five year contract life. The next payment of \$5,000.00 will be due on November 17, 2001, unless production at the site exceeds 2000 tons before that time, in which case the payment will be due before more than 2000 tons of material is removed.

If you have any questions, please feel free to contact me at (435)743-3126.

Sincerely,

Larry Garahana
Geologist

Enclosures
Stipulations

cc: D. Wayne Hedberg, UDOGM (S/023/075)

RECEIVED

AUG 06 2001

DIVISION OF
OIL, GAS AND MINING